



December 11, 2020
Revised February 19, 2021

Department of the Army
Los Angeles District, U.S. Army Corps of Engineers
Attn: Shannon Pankratz
Regulatory Division, CESPL-RG
915 Wilshire Blvd., Suite 930
Los Angeles, CA 90017
Shannon.L.Pankratz@usace.army.mil

**RE: PETERSEN RANCH MITIGATION BANK AREA A 3RD CREDIT RELEASE [USACE
FILE NO: SPL-2012-00669-BEM, CDFW TRACKING NO: 1798- 2013-04-R5]**

Dear Interagency Review Team:

With this letter Land Veritas (Bank Sponsor) formally requests the third credit release for Area A of the Petersen Ranch Mitigation Bank (Bank).

Sections VII.A.1.c, VII.C.1.c, and VII.D.2.a(3) of the Bank Enabling Instrument (BEI) state that the third credit release (up to an additional 15% of the total anticipated credits) shall occur when:

- i. The Bank Sponsor has submitted the Third Year Monitoring Report as required by the Development Plan;*
- ii. Year 3 Performance Standards have been attained;*
- iii. The Bank Sponsor funds a minimum of 40% of the Endowment Amount per Section VI.E.2b;*
- iv. Release 2 has occurred; and*
- v. A site-wide delineation will be conducted within the Bank Properties in year 3 following implementation of the Development Plan.*

Item (i) was completed on November 13, 2020 with the submission of the 2020 Third Year Annual Monitoring Report to the Interagency Review Team (IRT).

Ex. 4 CBI



Ex. 4 CBI

Item (iii) will be completed upon provisional approval of this credit release by the IRT. Per Exhibit D-2 of the BEI, the total Endowment Fund will include a long-term management account and an easement compliance account. The easement compliance account was fully funded prior to bank establishment. Upon IRT provisional approval, Land Veritas will deposit \$ **Ex. 4 CBI** into the Endowment Fund Account managed by the Southwest Resource Management Association (Table 7). Upon deposit, 40% of the total inflation adjusted long-term management amount for Area A will be funded. An invoice for the deposit amount is included as Attachment C.

Item (iv) was completed between July and August, 2018. On July 13, 2018, July 30, 2018, and August 9, 2018, the California Department of Fish and Wildlife (CDFW), United States Army Corps of Engineers (USACE), and the Lahontan Regional Water Quality Control Board (RWQCB), respectively, approved the second credit release for Area A of the Bank.

Item (v) was completed in Spring 2020 and the Area A Year 3 delineation report was submitted as an appendix to the 2020 Third Year Annual Monitoring Report.

In lieu of an in-person site visit due to logistic and safety constraints around the novel coronavirus pandemic, a virtual site visit was presented to the IRT on December 15, 2020 using photos and videos taken throughout the year.

The Bank's credit ledgers are attached to this letter for your review (Attachment D). Detailed credit release accounting in the ledger is submitted as Attachment E.

Finally, the Bank Sponsor paid the full amount of the CDFW Implementation Fee associated with the third credit release on October 28, 2020, receipt of which was confirmed by CDFW on November 24, 2020 and is included as Attachment F. This amount was equal to \$ **Ex. 4 CBI** or 15% of the total Implementation Fee. This payment was submitted as part of the Area E credit release package. To date, we have paid **Ex. 4 CBI** to CDFW representing 55% of the total CDFW Implementation Fee.

Based on the successful attainment of these release criteria, the Bank Sponsor requests that the IRT release all eligible credits associated with the Area A third credit release as summarized in Tables 1 – 6.

Sincerely,

H. Tracey Brownfield, President
Land Veritas Corp

CC:

Sarvy Mahdavi, EPA Region IX
Melissa Scianni, EPA Region IX
Janice Gan, CDFW Region 5
Tiffany Steinert, Lahontan Regional Water Quality Control Board

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Table 7. Endowment funding calculations, Area A

Endowment Fund Financial Accounting		Easement Compliance Endowment	Long-Term Management Endowment	Total Area A Endowments
SCE Endowment Amount (Funded 12/30/2014)				
Original Area A Amount Required ¹				
Adjusted Area A Amount (9.9% CPI) ²				
Initial Deposit ³	Amount			
	Deposit Date			
Deposit #1	Amount			
	Deposit Date			
Deposit #2	Amount			
	Deposit Date			
Deposit #3	Amount			
	Deposit Date			
Deposit #4	Amount			
	Deposit Date			
TOTAL DEPOSIT AMOUNT				
Percent Funded				
Net Amount of Investment Earnings, Gains, and Losses ^{4, 5}				
Expenditures ⁵				
CURRENT BALANCE ⁵				

Ex. 4 CBI

¹ Amount agreed upon in the BEI, executed on 5/11/2016.

² Endowment amounts are adjusted annually using Consumer Price Index (CPI) data from the California Department of Industrial Relations, Division of Labor Statistics and Research published in February of each year until the Endowment Fund is fully funded. Starting in 2020 following approval of the IRT, annual adjustments are made comparing the annual average of 2016 to the annual average of the full year preceding the year of reporting.

³ Initial deposits were made by SCE to cover their portion of the endowment funding requirements (BEI Exhibit D-2).

⁴ Including realized and unrealized earnings.

⁵ Financial reporting provided by SRMA for FY2020 through June 30, 2020 and does not include Deposit #2 amount.



Attachment A

Area A – Year 3 (2020) Performance Monitoring Results by Credit Type

AREA A – YEAR 3 (2020) PERFORMANCE MONITORING RESULTS BY CREDIT TYPE

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI



Ex. 4 CBI

Ex. 4 CBI



Ex. 4 CBI



Ex. 4 CBI



Ex. 4 CBI



Ex. 4 CBI

Ex. 4 CBI

- Chaparral



Ex. 4 CBI

Appendix A:
Area A Performance Standards

Area A Rift Valley Restoration Site Performance Standards

Source: BEI, Exhibit C-1 Development Plan, Part II, Section 1.5

Table 15. CRAM Performance Standard for AAs in the Rift Valley Restoration Sites

Metric/ Submetric	Year 1	Year 2	Year 3	Year 4	Year 5	Final
Buffer and Landscape Context	NA	NA	75	75	75	75
Hydrology	NA	NA	83	83	83	83
Physical Structure	NA	NA	50	55	63	63
Biotic Structure	NA	NA	67	72	78	78
Overall	NA	NA	67	72	75	75

Table 16. UPS for the Rift Valley Restoration Sites

Type	Uniform Performance Standard	Year 1	Year 2	Year 3	Year 4	Year 5	Final
Physical:	UPS #20	Must contain ≥25% of the structural patch types found at the selected reference site	Must contain ≥50% of the structural patch types found at the selected reference site	Must contain ≥75% of the structural patch types found at the selected reference site	Must contain ≥90% of the structural patch types found at the selected reference site		
Hydrologic:	UPS #23	The Bank Sponsor shall ensure that the depth to groundwater is within the range of reference wetland conditions.					
Biological:	UPS #28 Dominance of Natives	Absolute cover of native species will be at least 10% of the cover observed at the reference site	Absolute cover of native species will be at least 25% of the cover observed at the reference site	Absolute cover of native species will be at least 50% of the cover observed at the reference site	Absolute cover of native species will be at least 60% of the cover observed at the reference site	Absolute cover of native species will be at least 75% of the cover observed at the reference site	
	UPS #29 Dominance of Exotics	Relative cover of non-native, invasive species will be ≤ the reference site.					
	UPS #31 Species Richness	Number of native species in planting areas ≥ 75% of the reference site					

Area A Petersen Stream Restoration Site Performance Standards

Source: BEI, Exhibit C-1 Development Plan, Part II, Section 2.5

Table 19. CRAM Performance Standard for the Petersen Stream Restoration Site

Metric/Submetric	Year 1	Year 2	Year 3	Year 4	Year 5	Final
Buffer and Landscape Context	NA	NA	83	83	83	83
Hydrology	NA	NA	67	67	67	67
Physical Structure	NA	NA	63	70	75	75
Biotic Structure	NA	NA	61	70	78	78
Overall	NA	NA	69	73	76	76

Table 20. Uniform Performance Standards for the Petersen Stream Restoration Site

Type	Uniform Performance Standard	Year 1	Year 2	Year 3	Year 4	Year 5	Final
Physical:	<i>UPS #2</i>	The mitigation retains or increases stream stability and does not cause site, upstream, or downstream excessive erosion or aggradation. Specifically: Overall channel form should not indicate a consistent trajectory indicating a transition from a multi-thread to a single thread channel form.					
Hydrologic:	<i>Custom</i>	Field indicators of Ordinary High Water and distinct hydrogeomorphic floodplain units will be documented within the alluvial floodplain.					
Biological ¹ :	<i>UPS #28 Dominance of Natives</i>	Cover of native species will be at least 5% absolute cover	Cover of native species will be at least 10% absolute cover	Cover of native species will be at least 20% absolute cover	Cover of native species will be at least 30% absolute cover	Cover of native species will be at least 50% absolute cover	Cover of native species will be at least 50% absolute cover
	<i>UPS #29 Dominance of Exotics²</i>	Relative cover of non-native, invasive species will be 0%.					
	<i>UPS #31 Species Richness</i>	Number of native species in planting areas \geq 14 species					

1. Percent cover estimates were calculated using UPS standards and pre-fire vegetation data from reference sites within the Elizabeth Lake Bank Property. See Exhibit H of the BEI for these data.

2. Excluding non-native annual grasses listed as highly invasive Cal-IPC (2006) , which will be \leq 10% cover.

Area A Enhancement Areas Performance Standards

Source: BEI, Exhibit C-1 Development Plan, Part I, Section 9.1

Table 10. CRAM Performance Standard for Cattle Exclusion Enhancement AA #11 at Petersen Ranch

Metric/Submetric	Year 1	Year 2	Year 3	Year 4	Year 5	Final
Buffer and Landscape Context	NA	NA	92	92	100	100
Hydrology	NA	NA	75	75	75	75
Physical Structure	NA	NA	63	63	63	63
Biotic Structure	NA	NA	81	97	100	100
Overall	NA	NA	78	82	85	85

Table 11. Uniform Performance Standard Requirements of Enhancement Areas

Type	Uniform Performance Standard	Year 1	Year 2	Year 3	Year 4	Year 5	Final
Biological:	UPS #28 Dominance of Natives	Cover of native species will be at least 20% absolute cover		Cover of native species will be at least 30% absolute cover		Cover of native species will be at least 60% absolute cover	
	UPS #29 Dominance of Exotics	Absolute cover of non-native, invasive species will be \leq 10%.					
	UPS #31 Species Richness	Number of native species will be \geq 9					



Attachment B

Detailed Accounting of Credits Not Requested for Release

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI



Attachment C

Area A Long-Term Management Endowment Deposit #2 Invoice

Invoice

Southwest Resource Management Association

12-15-20
Invoice #20-12-15

Southwest Resource Management Association
4500 Glenwood Drive
Riverside, CA 92501
Phone 951-300-2844
slamb@SRMA-CA.org

TO Tracey Brownfield
LV-BP Investors Ranch, LLC
1505 Bridgeway, Suite 209
Sausalito, CA 94965
Phone 415-729-3733

Contact	Job	Payment Terms	Due Date
Tracey Brownfield	3rdCredit Release for Area A-Peterson Ranch LTM Endowment	Due on receipt	

Qty	Description	Unit Price	Line Total
1	Peterson Ranch-Area A, Long Term Management Endowment, 3rd Credit Release.		Ex. 4 CBI

Subtotal	Ex. 4 CBI
Paid	
Total Due	

Make all checks payable to Southwest Resource Management Association

Thank you for your business!



Attachment D

Ledgers

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI

Ex. 4 CBI



Attachment E

Detailed Credit Release Ledger Accounting

Ex. 4 CBI

Ex. 4 CBI



Attachment F

CDFW Implementation Fee Payment Receipt (November 24, 2020)



Marlene Tyner-Valencourt <tyner-valencourt@wra-ca.com>

Petersen Ranch Implementation Fee Payment

Gan, Janice@Wildlife <Janice.Gan@wildlife.ca.gov>
To: Marlene Tyner-Valencourt <tyner-valencourt@wra-ca.com>
Cc: Nate Bello <bello@wra-ca.com>

Tue, Nov 24, 2020 at 12:20 PM

Marlene

This confirms that CDFW received the Implementation Fee payment in the amount of \$9,225.41 the first week of November 2020.

The R5 admin person told me they did receive the check . I have requested and I am still waiting for her to forward the documentation and the deposit information.

I will update the regional bank files and database when I receive that information.

In the future please send any payments to R5 attn: Regional Manager to ensure prompt handling of those payments

Thanks for your patience.

[Quoted text hidden]